

# Proposal Form

## Investment Managers Insurance Policy

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### Important Notice Relating to this Proposal

**PLEASE READ THE FOLLOWING ADVICE BEFORE PROCEEDING TO COMPLETE THIS PROPOSAL FORM.**

Your Investment Managers Insurance Policy is issued on a CLAIMS MADE basis.

This means that this policy responds to:

- (1) Claims first made against you during the policy period and notified to the Insurer during that policy period, providing that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a Claim may be made against you; and
- (2) Pursuant to Section 40, sub-section 3 of the INSURANCE CONTRACT ACT 1984 which states:

“Where the Insured gave notice in writing to the Insurer of facts that might give rise to a Claim against the Insured as soon as was reasonably practicable after the Insured became aware of those facts but before the insurance cover provided by the contract expired, the Insurer is not relieved of liability under the contract in respect of the Claim, when made, by reason only that it was made after the expiration of the period of insurance cover provided by the contract”

When the policy expires, no new notification generally can be made on the expired policy even though the event giving rise to a Claim against you may have occurred during the policy period.

You will not be entitled to indemnity under your new policy in respect of any Claim arising out of circumstances of which you were aware at any time prior to policy inception which would have put a reasonable person in your position on notice that a Claim may be made against you.

When completing your proposal you are obliged to report and provide full details of all circumstances which have become known to you and which would put a reasonable person in your position on notice that a Claim may be made against you.

This is important to ensure that you make proper disclosure (refer to notice pursuant to the INSURANCE CONTRACT ACT 1984) in order that your entitlement to full indemnity under your new policy is not placed in jeopardy.

In accordance with the provisions of the INSURANCE CONTRACT ACT 1984, DUAL Australia Pty Ltd is required to advise you of your responsibilities in relation to the disclosure of relevant information.

### Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the INSURANCE CONTRACT ACT 1984 to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- That diminishes the risk to be undertaken by the Insurer;
- That is of common knowledge;
- That your Insurer knows or, in the ordinary course of his business, ought to know;
- As to which compliance with your duty is waived by their Insurer.

(It should be noted that this duty continues after the proposal form has been completed up until the time the policy is entered into).

## **Non – Disclosure**

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce their liability under the contract in respect of a Claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning. It is therefore vital that you make sufficient enquiries BEFORE you complete your proposal form and BEFORE you sign any declaration that there has been no change in the information proposed.

Please take notice of the following statements pursuant to the provisions of the INSURANCE CONTRACT ACT 1984.

## **Surrender or Waiver of any Right of Contribution or Indemnity**

Where another person or company would be liable to compensate you or hold you harmless for part or all or any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the inception of the policy that you would not seek to recover any loss or damage from that person, you are NOT covered under the policy for any such loss or damage.

## **Notice of Occurrences or Events**

If during the period of this policy, the Insured shall become aware of any occurrence which may give rise to a Claim under the policy and shall during the period of this insurance given written notice to the Insurer of such occurrence, any Claim which may be subsequently made arising out of the occurrence of which notification has been given shall be deemed to be a Claim made during the period of this policy whenever such Claim may actually be made.

## **Contract by the Insured Affecting Rights of Subrogation**

If the proposed contract of insurance includes a provision which excludes or limits the Insurer's liability in respect of any loss because you are a party to an agreement which excludes or limits your rights to recover damages from a third party in respect of that loss, you are hereby notified that signing any such agreement may place your indemnity under the proposed contract of insurance at risk.

## **When completing this Proposal Form...**

Please answer all questions giving full and complete answers

- (a) It is the duty of the Proposer to provide all information that is requested in the proposal form as well as to add additional relevant facts.
- (b) A relevant fact is such known fact and/or circumstance that may influence in the evaluation of the risk by the insurer. If you have any doubts about what a relevant fact is, please do not hesitate to contact your broker or insurer.
- (c) If the space provided on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question
- (d) The proposal form must be completed, signed and dated by a person, who must be of legal capacity and authorised for the purpose of requesting Investment Managers Insurance for the firm who acts as a Proposer.
- (e) This proposal form does NOT BIND the Proposer to complete the insurance but will form part of any insurance

## **Privacy Statement**

DUAL Australia Pty Ltd is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We will use the information you provide in this Proposal Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us.

You are entitled to access your personal information and request any correction if required.

**DUAL Australia recommends that you keep a record of all information supplied for the purpose of entering into an insurance contract (including copies of this Proposal Form and correspondence).**

**DUAL**

**SECTION 1: DETAILS OF THE PROPOSER**

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- 1. Name of the Applicant: \_\_\_\_\_
- 2. Address of Head Office: \_\_\_\_\_
- 3. Date of Incorporation: \_\_\_\_\_ 4. ABN Number: \_\_\_\_\_
- 5. AFSL number: \_\_\_\_\_ 6. Web Address: \_\_\_\_\_
- 7. Briefly describe the business activities of the Applicant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SECTION 2: HISTORY OF THE COMPANY**

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- 1. Is the Applicant:
  - (a) Listed on the Australian Stock Exchange?  Yes  No
  - (b) Listed on any foreign stock exchanges?  Yes  No
  - (c) Traded in any other way?  Yes  NoIf "Yes", please provide further details: \_\_\_\_\_  
\_\_\_\_\_

- 2. Does the Applicant have any assets, Funds or other business activities in the United States of America or Canada? If so, please provide details:  
\_\_\_\_\_  
\_\_\_\_\_

- 3. Please provide the name and ownership percentage of any shareholder owning more than 10% of issued shares of the Applicant:

Name	Ownership (Percentage)

**SECTION 3: INSURANCE DETAILS**

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- 1. Has the Applicant any of the following types of insurance currently in force:
  - (a) Directors and Officers Liability?  Yes  No
  - (b) Professional Indemnity?  Yes  No
  - (c) Crime/Fidelity Guarantee?  Yes  NoIf "Yes" to any of the above please provide details for the following:

Insurer: \_\_\_\_\_ Expiry Date: \_\_\_\_\_  
Limit: \_\_\_\_\_ Deductible: \_\_\_\_\_

- 2. Aggregate amount of indemnity required (please tick)
  - \$1 million  Other amount: \_\_\_\_\_
  - \$2 million
  - \$5 million
  - \$10 million

**SECTION 4: OUTSOURCING**

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1. Please provide details of the following service providers to the Applicant and the family of funds under management (please provide separately if more space required).

- (a) Fund Administration: \_\_\_\_\_
- (b) Custody: \_\_\_\_\_
- (c) Trustee Services: \_\_\_\_\_
- (d) Investment Management: \_\_\_\_\_
- (e) Legal: \_\_\_\_\_
- (f) Audit: \_\_\_\_\_
- (g) Other: \_\_\_\_\_

2. Have all the criticisms/recommendations from the last review of the auditors outlined above been corrected/implemented? If not, please detail why:

\_\_\_\_\_

\_\_\_\_\_

**SECTION 5: OUTSIDE DIRECTORSHIP**

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1. Do any of the Directors or Officers of the Applicant hold (at the specific request of the Applicant) any executive positions on any unrelated entities? If YES, please provide details of such entities:

Other Entity	Applicants Shareholding in Other Entity	Limit of Other Entity's D&O Policy	Insurer	Expiry Date

**SECTION 6: CONTROLS**

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- 1. Are wages/salaries independently checked against personnel records for unusual or excessive payments?  Yes  No
- 2. Are the following duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others:
  - (a) signing cheques or authorising payments above \$10,000?  Yes  No
  - (b) issuing funds transfer instructions?  Yes  No
  - (c) amending funds transfer procedures?  Yes  No
  - (d) opening new bank accounts?  Yes  No
  - (e) refund of monies or return of goods above \$10,000?  Yes  No
- 3. Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds or to issue funds transfer instructions?  Yes  No
- 4.
  - (a) Are unique passwords used to give various levels of entry to the computer depending on the users authorisation and/or authority level?  Yes  No
  - (b) Are passwords automatically withdrawn when people leave?  Yes  No
  - (c) Are all amendments to in house programs approved independently of the persons making the amendments?  Yes  No
  - (d) Are in house programs protected to detect unauthorised changes?  Yes  No
  - (e) Is your computer system protected by virus detection and repair software?  Yes  No

**SECTION 7: EMPLOYEE INFORMATION:**

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1. For the purpose of calculating Stamp Duty please confirm the number of employees as follows:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas

**SECTION 8: CLAIMS INFORMATION**

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1. (a) Has the Applicant or any person requesting coverage under this policy been involved in or have they knowledge of any fact or circumstances which may give rise to a claim under the proposed policy?  Yes  No
- (b) Has any Claim been brought against the Applicant or any of it's Director, Officers or employees?  Yes  No
- (c) Has any payment for loss been made on behalf of any Applicant or person requesting coverage under any professional liability, directors & officer's liability, fidelity bond or any similar insurance?  Yes  No

**If the answer to any of the above is "Yes", please provide further details (please provide separately if more space is required).**

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It is agreed that if such knowledge exists, any claim, action or proceeding arising from such fact or circumstance will not be afforded cover under this policy

**SECTION 8: DECLARATION**

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**SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE**

We declare that the statement and particulars in this proposal form are true and that no material facts have been misstated or suppressed after enquiry. We agree that should any of the information given by us alter between the date of this proposal and the inception date of the insurance to which this proposal relates, we will give immediate notice thereof. We agree that the Underwriters may use and disclose our personal information in accordance with the "Privacy Statement" at the beginning of this Proposal. We agree that this proposal, together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

**TO BE SIGNED BY THE CHAIRMAN OF THE BOARD OR MANAGING DIRECTOR ONLY**

Signed	Signed
Title	Title
Date	Date

**Please provide the following documentation with this Proposal Form:**

- Latest Audited annual report for the Applicant and Funds
- Sample Investment Management Agreement with Clients
- Prospectus/PDS/Information Memorandum for the Funds which cover is requested.
- Please complete the attached "Schedule of Funds".

**Schedule of Funds**

Fund / Client Name	Date Established	Funds Under Management		Nature of Investment Assets	Listed (Yes/No)	Minimum Investment	No. of Fund Members	Open to new Investments (Yes/No)
		This Year	Last Year					